

ILLINOIS COMMERCE COMMISSION

DOCKET No. 22-0431

SURREBUTTAL TESTIMONY

OF

VICTORIA A. KILHOFFER

Submitted on Behalf Of

**AMEREN ILLINOIS COMPANY
d/b/a Ameren Illinois**

November 18, 2022

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I. INTRODUCTION

A. Witness Identification

Q. Please state your name and business address.

A. My name is Victoria (Tori) A. Kilhoffer, and my business address is 10 Richard Mark Way Collinsville, Illinois 62234.

Q. Are you the same Tori A. Kilhoffer who sponsored Direct Testimony and Rebuttal Testimony in this proceeding?

A. Yes.

B. Purpose, Scope and Identification of Exhibits

Q. What is the purpose of your surrebuttal testimony in this proceeding?

A. The purpose of my surrebuttal testimony is to respond to the direct testimony of Staff and various Intervenor witnesses regarding Ameren Illinois Company's (Ameren Illinois, Ameren, or AIC) petition in this proceeding for Commission approval of its Beneficial Electrification Plan (BE Plan) as required by Section 45 of the Electric Vehicle Act (Act) amended by PA 102-0662. Specifically, I address issues pertaining to the Rider BE tariff, customer bill impacts, retail rate cap, and rate design raised in the

rebuttal testimony of Staff witnesses Struck, Sanders, and Poon, NRDC witness Nelson, and ChargePoint witness Deal.

I note that given the breadth and volume of Staff's and Intervenor's rebuttal testimony in this proceeding, if I do not expressly respond to a point made by a Staff or Intervenor witness, it should not be construed as my agreement with or acceptance of that point.

Q. Are you offering any legal opinions in your surrebuttal testimony?

A. No. While I offer my understanding of certain provisions of the Act, I am not a lawyer and none of my testimony offers any legal opinions.

Q. Are you sponsoring any exhibits with your surrebuttal testimony?

A. No, I am not.

Q. Please summarize the conclusions of your surrebuttal testimony.

A. In my Surrebuttal Testimony, I conclude and offer the following in support of Ameren's surrebuttal BE Plan:

- Ameren Illinois foregoes cost recovery of its BE Plan expenses via Rider BE and has opted to recover BE Plan expenditures in base rates as part of a traditional rate case or as part of a Multi-Year Rate Plan filing that will be filed by Jan. 20, 2023.
- The retail rate impact cap should apply to the entirety of Ameren's BE Plan and ChargePoint's argument that only certain costs included in the BE Plan should be included in retail rate impact cap calculations should be rejected. I offer updated total retail rate impact based on updates to the BE Plan budget for 2023, 2024, and 2025.

- The proposal offered by ChargePoint for Ameren to make rate design changes to the residential rate in Rider EVCP should be rejected because Rider EVCP enrollment, with existing rate design, is a performance metric approved by the Commission as part of the Performance Metrics Final Order (Docket Number 22-0063).
- The proposal for Ameren to develop a simple TOU rate (including delivery service, supply service, and transmission service) should be rejected because it completely ignores the restructured markets we operate under in Illinois.

II. RIDER BE

Q. Have you reviewed ICC Staff Testimony from June Poon, Staff Ex. 16.0, and her concerns with the Company using a Rider as the recovery method of choice?

A. Yes, I have.

Q. Based on her concerns and the concerns of other intervenors (Walmart witness Perry and IIEC witness Stephens), what has the Company concluded?

A. Since the beginning of the workshop process, Ameren Illinois has reiterated and demonstrated its commitment to discussion and collaboration with stakeholders, particularly in areas where the parties have stark differences of opinion. As a result of that continued intentional, meaningful engagement with stakeholders, Ameren Illinois, after much consideration, is withdrawing its Rider BE proposal as the method of cost recovery for applicable BE Plan costs. Instead, Ameren Illinois proposes to recover its BE Plan costs through base delivery service rates as part of a traditional rate case or as part of a Multi-Year Rate Plan filing that will be filed by January 20, 2023.

67 **III. STATUTORY RETAIL RATE IMPACT CAP ANALYSIS**

68 **Q. Have you reviewed the rebuttal testimony of ICC Staff witness Scott Struck,**
69 **ICC Staff Ex. 11.0?**

70 A. Yes, I have.

71 **Q. Have you reviewed the rebuttal testimony of ChargePoint witness Matthew**
72 **Deal?**

73 A. Yes, I have.

74 **Q. Mr. Struck's rebuttal testimony rejects the contention of ChargePoint**
75 **witness Deal's that the costs not directly related to the electric vehicle (EV)**
76 **infrastructure should be excluded from the determination of the retail rate impact.**
77 **Do you agree?**

78 A. Yes. As I stated in my rebuttal testimony, to apply the cap only to the
79 infrastructure costs and to not include all other costs associated with the BE Plan could
80 allow spending well beyond the intent of the cap. I fully agree with Mr. Struck's
81 statement: "The retail rate impact cap should apply to the total rate impact of Ameren's
82 BE Plan, rather than just part of it. Otherwise, the retail rate impact cap does not serve a
83 meaningful purpose." ICC Staff Ex. 11 at 7:150-152.

84 **Q. Mr. Struck further rejects that there must be consistency between Ameren**
85 **and ComEd regarding the types of costs that should count against the retail rate**
86 **impact cap as proposed by ChargePoint (ChargePoint Ex. 1.0 at 15). Do you agree**
87 **with Mr. Struck?**

88 A. Yes, I do. As Mr. Struck said, "Ameren and ComEd are different companies with
89 different service territories and different operating characteristics. Therefore, one should
90 not automatically impose consistency for the sake of consistency without considering
91 whether it actually makes sense to do so." ICC Staff Ex. 11 at 7:196-200.

92 **Q. Mr. Struck's rebuttal testimony also rejects Mr. Deal's recommendation**
93 **"that the Commission direct Ameren to include reasonable estimates of increased**
94 **revenue from EV charging in its determination of its revenue requirement and its**
95 **calculation of the retail rate cap." (ChargePoint Ex. 1.0 at 15.). Do you agree?**

96 A. Yes. I agree with Mr. Struck and continue to reject adding the revenue from EV
97 charging to the revenue requirement. This is unnecessary and as I stated in my rebuttal
98 testimony, to make the cap 1% plus EV revenues would bypass the intent of the cap.

99 **Q. Have you made any changes to Table 1 from your rebuttal testimony?**

100 A. In response to the Staff data request KDA 5.01, the Company identified an
101 inadvertent error referenced in the calculation of the \$547,000,000 of Projected Purchase
102 Power Charges revenues referenced in subpart d of the data request. The Company has
103 addressed and corrected that error on the updated Table 1 below.

104

Table 1

This calculation of the Retail Rate Impact Cap would is consistent with the ComEd methodology.			
Item	2022 Revenue (\$M)	Rate Effective Period	Dockets/Source
Distribution	\$ 1,049	01/2022 - 12/2022	21-0365, Sch FR A-1, Line 22
Transmission	\$ 419	01/2022 - 12/2022	AIC 2022 Projected Rate Calculation pursuant to Attachment O-AIC effective 1/1/2022 (Page 3, Line 29). Attachment O-AIC approved in ER12-2216.
Energy Efficiency	\$ 61	01/2022 - 12/2022	Informational Filing to Rider Energy Efficiency (Informational Sheet No 4), filed 12/03/2021
DG Rebate	\$ 4	01/2022 - 12/2022	Informational Filing to Customer Generation Charge (Informational Sheet No 2), filed 1/7/2022
Projected Purchased Power	\$ 551	1/2022 - 12/2022	Information Filing to Retail Purchased Electricity Charge (Informational Sheet No 14), filed 5/20/2022
			Information Filing to Retail Purchased Electricity Charge (Informational Sheet No 12), filed 9/17/2021
			PER Monthly Proration Calcs_2022 Spreadsheet, created 9/30/2022
Renewable Portfolio Standard	\$ 154	02/2022	Informational Filing to Renewable Energy Adjustment (Informational Sheet No 2), filed 1/7/2022
Clean Energy Assistance Charge	\$ 62	01/2022 - 12/2022	Informational Filing to Clean Energy Assistance Charge (Informational Sheet No 9), filed 5/20/2022
			Informational Filing to Clean Energy Assistance Charge (Informational Sheet No 7), filed 5/20/2021
Energy Transition Fund	\$ 25	02/2022 - 12/2022	Informational Filing to Energy Transition Assistance Charge (Original Informational Sheet), filed 1/7/2022
LIHEAP/PIPP	\$ 16	01/2022 - 12/2022	Nancy's Files - Calculation Spreadsheet (R:\SB 2408 Implementation\NLG\PIPP and low income\Cop of IL Tax legislation Energy Asst PIPP low income calc.xlsx)
Environmental Adjustment	\$ 36	09/2022 - 10/2022	Information Filing to Electric Environmental Adjustment (Informational Sheet No 144), filed 9/15/2022
Electric Uncollectible Adjustment	\$ (4)	01/2022 - 12/2022	Informational Filing to Electric Uncollectible Adjustment (Informational Sheet No 7), filed 5/20/2022
			Informational Filing to Electric Uncollectible Adjustment (Informational Sheet No 6), filed 5/20/2021
Total Projected Revenues	\$ 2,373		
1% Retail Rate	\$ 23.7		

105 **Q. Does this correction change the 1% Retail Rate Cap?**

106 **A.** Yes, but not in a meaningful way. The calculation still rounds to \$23.7M, which is
 107 the same as in my rebuttal testimony.

108 **Q. In Exhibit 10.2, Mr. Reany has made modifications to the BE Plan cost**
109 **details. Have you calculated a new retail rate impact to reflect the new annual**
110 **budgets?**

111 A. Yes. Due to modifications made to the program cost details in Ameren Ex. 10.2
112 and discussed by Mr. Reany in Ameren Ex. 10.0 and Mr. Abba in Ameren Ex. 9.0, a new
113 retail rate impact has been calculated. In 2023, 2024, and 2025 the total retail rate impact
114 for all costs associated with the BE Plan is \$2.98M, \$6.12M, and \$12.03M, respectively.

115 **Q. Does the Company's BE Plan's retail rate impact exceed the retail rate cap in**
116 **any of the BE Plan years?**

117 A. No, it does not.

118 **IV. RATE OFFERINGS**

119 **Q. As an alternative to Mr. Deal's proposal to remove the Peak Hourly Delivery**
120 **Charge, Mr. Deal recommends that AIC develop a period-based time of use (TOU)**
121 **rate for the delivery service of DS-1 customers through Rider EVCP. Do you agree?**

122 A. No. Mr. Deal makes this proposal in a continued attempt to argue that the
123 residential rate within Rider EVCP is too hard to understand. As laid out in my rebuttal
124 testimony, the residential rate in Rider EVCP is attracting and retaining customers.
125 Further, given the Commission recently approved a Performance Metric in ICC Docket
126 No. 22-0063 based on the existing residential rate within Rider EVCP, the Company
127 disagrees this change would improve customer participation as intended by the
128 Commission. If the Commission were to adopt Mr. Deal's recommendation and modify
129 the residential rate in Rider EVCP, it would be a contradiction and in direct conflict with

130 the Commission's recognition of the currently approved and in effect Rider EVCP, and
131 approval of the Peak Load Reduction metric in ICC Docket No. 22-0063.

132 **Q. Have you reviewed the rebuttal testimony of NRDC witness Ron Nelson,**
133 **NRDC Ex. 3.0?**

134 A. Yes, I have.

135 **Q. Mr. Nelson's rebuttal testimony continues to propose a whole-house TOU be**
136 **made available for residential DS-1 customers who charge EVs, in addition to the**
137 **residential rate in Rider EVCP. Has your position on this issue changed?**

138 A. It has not. As I said in rebuttal, Mr. Nelson's proposal completely ignores the
139 restructured markets we operate under in Illinois. A whole house TOU rate, as proposed
140 by Mr. Nelson, which would include delivery service, supply service, and transmission,
141 would place the Company into direct competition with ARES supply.

142 **Q. Does Mr. Nelson offer an alternative to a bundled, whole house TOU rate for**
143 **residential customers?**

144 A. Yes, Mr. Nelson suggests "the Company should develop separate TOU tariffs for
145 distribution, transmission, and generation so that together, the three tariffs can constitute
146 a bundled TOU rate option." NRDC Ex. 3.0 at 8:143-146.

147 **Q. Do you agree that this is a reasonable option?**

148 A. I do not. This would be a cumbersome burden for the customer to manage being
149 on 3 separate riders for one TOU rate. Further, we maintain that this is inappropriate for
150 Ameren to offer either supply or transmission TOU rates given the restructured markets
151 that we operate under in Illinois.

152 **Q. Mr. Nelson also recommends an EV-specific TOU rate be made available for**
153 **small commercial DS-2 customers as well as a time-differentiated supply and**
154 **transmission rate for large commercial DS-3 and DS-4 customers. Do you agree?**

155 A. No, I do not agree, for the same reasons identified about related to Mr. Nelson's
156 DS-1 TOU proposal.

157 **Q. Have you reviewed the rebuttal testimony of Curtis Sanders, ICC Staff Ex.**
158 **15.0, Tanya Capelan, ICC Staff Ex. 19.0, and Kevin Wright ICEA Ex. 1.0?**

159 A. Yes, I have.

160 **Q. Ms. Capelan and Mr. Wright's rebuttal testimony explain how AIC's rate**
161 **design supports the competitive retail market and a TOU rate design would**
162 **negatively impact the market. What are your thoughts?**

163 A. Both Ms. Capelan and Mr. Wright further support the position outlined in my
164 rebuttal testimony in this case. In my rebuttal, I state that the TOU rate would be
165 problematic with respect to retail competition in the Ameren service territory. Ms.
166 Capellan and Mr. Wright have since filed rebuttal testimony in this case agreeing with
167 and expanding on that argument. Due to the competitive retail market structure in the
168 Illinois market, it would be inappropriate for Ameren to offer such a rate.

169 **Q. Mr. Nelson has proposed that "the Commission require Ameren to develop**
170 **and file a comprehensive EV rate design and load management plan either within**
171 **one year of the approval of the Company's BE plan or as part of the Company's**
172 **updated BE plan filing on July 1, 2024." (NRDC Exhibit 3.0 at 10:192-195). Do you**
173 **agree?**

A. No. As discussed in my rebuttal testimony in this case, "Ameren has robust planning and forecasting processes that capture changes in customer's usage patterns. When we see a fundamental shift in the period where peak occurs, for example, when there is so much rooftop solar, delivery costs may be driven more by early evening peaks rather than afternoon peaks. We are likely years away from such situation." Ameren Ex. 7.0 at 410. As stated before, Ameren's Rider EVCP rate recently approved by the Commission is working as intended. Customers are signing up for the rate and staying on the rate and customers appear to be shifting EV load as intended by the rider. We have not yet experienced the shifting of load as described above but continue to monitor, so now is not the time for the Commission impose a deadline on the development of a new rate design and load management plan suggested by Mr. Nelson.

V. LOW INCOME RATE, BE PLAN BUDGET, AND BILL IMPACTS

Q. ICC Staff witness Sanders' rebuttal testimony discusses AG witnesses proposal that AIC differentiate between low income and non-low income customers for the purposes of cost allocations and recovery and recommends that the Company recover less from low income customers for the programs than from non-low income customers. What are your thoughts?

A. It is my understanding that the Commission is currently investigating the feasibility of a low-income delivery service rate for Ameren Illinois, with results due to the General Assembly by January 1, 2023¹. Given that the costs of the Beneficial Electrification Plan will be recovered through base delivery service rates, I believe this

¹ 220 ILCS 5/9-241

question and resolution is best addressed in that investigation and process. Since any low-income rate instituted because of that investigation would include the recovery of BE costs, it seems unnecessary, and impractical to separately institute a low income BE rate². Lastly, Table 2 below illustrates that the estimated cost of the BE plan to residential customers is 64 cents per month in 2025, the most expensive year of the current plan.

Q. Does the Beneficial Electrification Plan impact rates for low-income customers, outside of the cost of the plan itself?

A. Yes, as more customers adopt EVs, Ameren Illinois' overall load increases. By incentivizing charging at non-peak times, the Plan reduces demand that could otherwise be placed on the distribution system as a result of increased load. This means that AIC's existing delivery service revenue requirement can then be spread out over a greater number of kWh, with little additional cost outside of the cost of the Plan itself. This will create downward pressure on delivery service rates on a per kWh basis. Thus, low-income customers without EVs will pay a lower share of the cost of AIC's existing revenue requirement because of Beneficial Electrification. Low-Income customers with EVs may still have higher electric bills as a result of increased volumetric charges, but this will be offset by a reduction in their total energy costs from the purchase of gasoline.

Q. ICC Staff witness Sanders' rebuttal testimony also recommends that the Company provide a bill impact analysis, in dollars, by customer class for each year of its BE Plan. Have you conducted the requested bill impact analysis?

² Mr. Sanders also questions whether his "recommendation is truly feasible, as it is unknown whether Ameren can accurately detect which customers are LI within its billing system in order to assess a lesser charge". (Staff Ex. 15., ln 468-470) It is not feasible at this time, as the Company has not screened each of its more than 1 million customers to determine which are LI.

A. Yes. With all costs being recovered through base delivery service rates and using current Commission approved cost allocation methods, I have estimated the average monthly impact on each customer bill, by class, for each year of the current BE plan as shown in Table 2. Table 2 should be viewed as a worst-case scenario, as it only allocates increased revenue requirement required to cover the costs of the BE Plan among the classes and does not attempt to account for the more complex factors that impact customer bills. The RIM test, which is provided by Mr. Cottrell in Ameren Ex. 12.0, lines 193-205, gives a more complete view of the impact that customers will see in their rates.

Table 2

annual				monthly			
	2023	2024	2025		2023	2024	2025
DS-1	\$ 1.92	\$ 3.93	\$ 7.73	DS-1	\$ 0.16	\$ 0.33	\$ 0.64
DS-2	\$ 5.44	\$ 11.10	\$ 21.84	DS-2	\$ 0.45	\$ 0.93	\$ 1.82
DS-3	\$ 9.74	\$ 23.60	\$ 45.73	DS-3	\$ 0.81	\$ 1.97	\$ 3.81
DS-4	\$ 37.81	\$105.33	\$204.22	DS-4	\$ 3.15	\$ 8.78	\$ 17.02
DS-5	\$ 1.72	\$ 3.66	\$ 6.31	DS-5	\$ 0.14	\$ 0.31	\$ 0.53
DS-6	\$ 9.15	\$ 22.62	\$ 44.63	DS-6	\$ 0.76	\$ 1.89	\$ 3.72

Q. ICC Staff witness June Poon agrees with AG witnesses who suggest that the Company's BE Plan budget include bill/delivery credit. Do you agree?

A. No, I do not. Ms. Poon says "[a]lthough the bill/delivery credits represent a reduction in the Company's delivery service revenue, rather than an outlay for cost, the bill/delivery credits will ultimately be recovered from ratepayers." ICC Staff Ex. 16.0 at 20:417-422. I agree with the first half of this statement and disagree with the second. Reducing the revenue does not add a cost to be collected in Ameren's revenue requirement, so there is nothing to be recovered from customers. While I agree that the bill credits ultimately lower revenue in the short term, to state it in this way ignores the

233 fact that were it not for the EVs added to the system, this additional EVCP revenue would
234 not exist and thus not need to be lowered. There is far more added revenue than is
235 represented by the bill credits and this revenue is also not appropriate to add to the retail
236 rate impact. In the same manner that Staff witness Mr. Struck and I both reject
237 ChargePoint's argument to include this increased revenue, I also reject the argument to
238 include the bill credits. The revenue from EV charging and the bill credits to Rider EVCP
239 customers are two sides to the same coin and both should be rejected.

240 **V. CONCLUSION**

241 **Q. Does this conclude your surrebuttal testimony?**

242 **A.** Yes, it does.